

## **Historic, Archive Document**

Do not assume content reflects current scientific knowledge, policies, or practices.



1.9422  
DS Sub  
Cop. 2  
Order amended 11-1-60

78-1

[Action taken]

FEDERAL MILK ORDER NO. 78  
Nashville, Tennessee

Marketing Area:

1. All territory, within the Tennessee counties of Bedford, Cheatham, Davidson, Dickson, Hickman, Houston, Humphreys, Macon, Montgomery, Robertson, Rutherford, Smith, Stewart, Sumner, Trousdale, Williamson, and Wilson; and Allen, Simpson, and Warren Counties, Kentucky; including the Fort Campbell Military reservation.

Population: (1950 Census): 724,737

Principal places are: Nashville, Clarksville, and Murfreesboro, Tennessee; and Bowling Green, Kentucky.

Handler:

1. The operator of a regulated plant.
2. The operator of an unregulated distributing plant from which fluid milk products are disposed of in the marketing area.
3. The operator of an unregulated supply plant from which Grade A milk is shipped to a regulated plant.
4. A cooperative association with respect to producer milk diverted for the account of such an association from a regulated to an unregulated plant.
5. A cooperative association with respect to member producers' milk delivered for its account to a regulated plant in a tank truck owned and operated by or contracted to the association if it elects to report as a handler with respect to such milk.

Producer-Handler:

1. A dairy farmer who operates a plant from which fluid milk products received only from his own production or from regulated plants are distributed in the marketing area.

Producer:

1. Any person, except a producer-handler, who produces milk inspected and approved for fluid consumption by any health authority or, regardless of inspection is accepted by an agency of the Federal Government and received at a regulated plant or normally received at a regulated plant and diverted under specified conditions.

Regulated (Pool) Plant (except a producer-handler plant or a plant regulated under another order):

1. Distributing plant. A plant inspected and approved by any health authority and from which during the month:
  - a. Disposition of fluid milk products on routes in the marketing area is 15 percent or more of total route disposition of fluid milk products; and

b. Total route disposition of fluid milk products is 50 percent or more of receipts from dairy farmers and other plants.

2. Supply plant. A plant inspected and approved by an area health authority for fluid consumption which ships 50 percent or more of its approved receipts from dairy farmers to a regulated distributing plant. A plant which qualifies as a supply plant in the months August through February is a supply plant in the following March through July unless non-regulated status is requested.

3. Cooperative association plant.

a. A plant operated by a cooperative association if its members' milk shipped to other regulated plants plus transfer to other regulated plants from the association plant is two-thirds or more of total deliveries to all plants by the association's members.

#### Method of Accounting for Milk:

1. Skim milk and butterfat are accounted for separately. Skim milk includes the fluid equivalent of reconstituted, concentrated, and fortified products.

#### Classification:

1. Class I. All skim milk and butterfat:

a. Disposed of in the form of a fluid milk product. Fluid milk products; milk; skim milk; sweet and sour cream; buttermilk and yogurt; plain and flavored milk and milk drinks; fluid mixtures of cream and milk or skim milk.

b. Not accounted for as Class II (or III) milk.

2. Class II. All skim milk and butterfat:

- a. Used to produce any product other than a fluid milk product.
- b. Contained in inventories of fluid milk products at the end of the month.
- c. Disposed of for livestock feed.
- d. Skim milk dumped upon notification of and verification by the market administrator.
- e. In shrinkage of other source milk.
- f. In shrinkage of producer not to exceed 2 percent.

#### Transfers Between Regulated Plants:

1. Transfers from one regulated plant to another:

a. In the form of fluid milk products are Class I unless utilization in another class is claimed by both plants and the receiving plant has equivalent use in such class after deducting other source milk. Producer milk at both plants receives priority in Class I over other-source milk.

#### Transfers to Unregulated Plants:

1. The following are Class I:

a. Transfers of fluid milk products to producer-handlers.



- b. Transfers of fluid milk products in consumer packages.
- c. Bulk transfers of milk, skim milk or cream to unregulated plants unless located within 250 miles from Nashville, unless another class is claimed by the transferring handler and fluid milk product disposition from the unregulated plant does not exceed receipts from dairy farmers. If such disposition does exceed receipts from dairy farmers, the excess is prorated to receipts at such plant from all Federal order plants.
- d. Bulk transfers of milk, skim milk or cream to plants 250 miles or more from Nashville.

#### Receipts from Unregulated Plants:

1. Classification. Beginning with Class II, after deduction for shrinkage in producer milk, subtract receipts from unregulated plants in the following order (remainder is Class I):
  - a. Nonfluid milk products reprocessed in the plant.
  - b. Fluid milk products not priced under another order,
  - c. Fluid milk products priced under another order, except receipts of sour cream are deducted from Class I if received from and priced as Class I under Memphis or Louisville-Lexington.
2. Compensatory payments. Apply to (a) and (b) receipts in Class I, above, whenever total deliveries of producer milk are 110 percent or more of total Class I at all regulated plants. Payment rate on receipts in (a) above is Class I price less Class II price, both adjusted by butterfat differentials. Payment rate on receipts in (b) is Class I price less Class II price, both adjusted by applicable butterfat and location differentials.

#### Class Prices:

1. Basic formula. Highest of the following:
  - a. Midwest condenseries. Average price paid at Midwest condenseries (3.5 percent) adjusted to 4.0 percent by adding Chicago 92-score butter price x 5.12.
  - b. Local plants.

Average price paid at the following local plants for 4.0 percent milk.

Carnation Company, Murfreesboro, Tennessee  
 Kraft Foods Company, Gallatin, Tennessee  
 Kraft Foods Company, Pulaski, Tennessee  
 Borden Company, Fayetteville, Tennessee  
 Borden Company, Lewisburg, Tennessee  
 Borden Company, Carthage, Tennessee  
 Sumner County Cooperative Creamery, Gallatin, Tennessee  
 Swift and Company, Lawrenceburg, Tennessee  
 Wilson and Company, Murfreesboro, Tennessee

- c. Butter-powder.

(Chicago 92-score butter price x 4.8) + (Chicago area spray-roller powder price - 5 cents x 7.5).

d. Butter-cheese.

(Chicago 92-score butter price x 6) + (Wisconsin Cheddar cheese price x 2.4) + 7 x 5.2.

2. Class I. Basic formula price for the preceding month plus:

\$1.50: August-January  
1.20: February-July

With a supply demand adjustment applied to the resulting price. Such adjustment is determined by the relationship between the ratio of producer receipts and gross Class I in the 12 month period ending with the beginning of the preceding month and a standard utilization percentage based on the same relationship during a 12 month period ending with the beginning of the fourth preceding month. Adjustment is 2 cents for each 1 percent that utilization in the market, above 130 and below 125, differs from the standard, with a maximum total adjustment of 50 cents.

3. Class II.

Local plant price plus:

25 cents - February-August  
35 cents - September-January

Butterfat Differentials:

1. Class I and producer. Chicago 92-score butter price for the previous month x 0.12.
2. Class II. Chicago 92-score butter price for the current month x 0.115.

Location Differentials:

1. Class I and producer. Apply to plants located outside Tennessee, 50 miles or more from Nashville, deduct:
  - a. 10.0 cents - 50 to 70 miles
  - b. 1.5 cents - each additional 10 miles

Type of Pool:

1. Marketwide, monthly pool with base payments.

Expense of Administration:

1. Operators of regulated plants pay administrative costs not to exceed 4 cents per hundredweight of producer milk and other source milk allocated to Class I.
2. Operators of unregulated distributing plants pay the same rate as regulated plants on Class I route disposition in the marketing area or on all milk received from dairy farmers, if they elect to make payments to dairy farmers at order prices - see Special Handler Provisions.



Special Producer Provisions:

1. Marketing service. Deductions as authorized by membership contracts must be paid to qualified cooperative associations. A charge not to exceed 6 cents per hundredweight, deductible from non-members must be paid to the market administrator.
2. Base payment. Base payment plan applies March-July with each producer's daily base computed by dividing the total pounds of milk delivered by the producer to regulated plants during the preceding months of September-January by 153. (138 in the case of producers who temporarily discontinued deliveries during the base period provided deliveries were made in preceding August).
  - a. Provides for bases for dairy farmers who become producers by virtue of plant status changing from unregulated to regulated.
  - b. Transfers to any other person are permitted under specified circumstances.
  - c. Joint-held bases may be divided among the joint holders upon request.

Special Handler Provisions (Unregulated Plants):

1. Plants subject to other Federal orders. Handlers who dispose of a greater portion of their fluid milk products on routes in the marketing area of another order, are not subject to regulation under this order, except for reports which may be required by the market administrator.
2. Unregulated plants not subject to other Federal orders. Operators of such plants are required to:
  - a. Submit required reports to the market administrator.
  - b. Pay specified administrative assessment - see "Expense of Administration" provision.
  - c. Make compensatory payments:
    - (1) On Class I route disposition in the marketing area; rate is that applicable to receipts from unregulated by regulated plants; or, if the handler so elects,
    - (2) On all milk received from dairy farmers; amount paid is the difference between class values at order prices and payments to dairy farmers.





Order amended 11-1-60 (\*indicates revised provisions)

FEDERAL MILK ORDER NO. 114  
Mississippi Gulf Coast

Marketing Area:

1. All territory, including governmental installations and institutions, in the Mississippi counties of George, Greene, Hancock, Harrison, Jackson, Pearl River, and Stone.

Population (1950 Census): 172,497.

Principal places are: Gulfport, Biloxi, and Pascagoula, Mississippi.

Handler:

1. The operator of a regulated plant.
2. The operator of an unregulated distributing plant from which fluid milk products are disposed of in the marketing area.
3. A cooperative association with respect to producer milk diverted under specified conditions for its account from a regulated to an unregulated plant.

Producer-Handler:

1. A dairy farmer who operates a plant from which fluid milk products received only from his own production or from regulated plants are distributed in the marketing area.

Producer:

1. Any person, except a producer-handler, who produces milk inspected and approved for fluid consumption by any health authority and received at a regulated plant or normally received at a regulated plant and diverted under specified conditions.

Regulated (Pool) Plant (except a producer-handler plant or a plant regulated under another order):

1. Distributing plant. A plant inspected and approved by any health authority and from which during the month:
  - a. Disposition of fluid milk products on routes in the marketing area is 20 percent or more of total receipts of Grade A milk; and
  - b. Total route disposition of fluid milk products is 50 percent or more of total receipts of Grade A milk.

2. Supply plant. A plant inspected and approved by any health authority for fluid consumption which ships 50 percent or more of its approved receipts from dairy farmers to a regulated distributing plant. A plant which qualifies as a supply plant in each of the months September through January is a supply plant in the following February through August unless non-regulated status is requested.

Method of Accounting for Milk:

1. Skim milk and butterfat are accounted for separately. Skim milk includes the fluid equivalent of reconstituted, concentrated, and fortified products.

Classification:

1. Class I. All skim milk and butterfat:

a. Disposed of in the form of fluid milk product and eggnog and yogurt. Fluid milk products: milk, including concentrated; skim milk; sweet and sour cream; buttermilk; plain and flavored milk and milk drinks; fluid mixtures of cream and milk or skim milk.

b. Not accounted for as Class II milk.

2. Class II. All skim milk and butterfat;

a. Used to produce any product other than a fluid milk product and eggnog and yogurt.

b. Contained in inventories of fluid milk products and eggnog and yogurt.

c. Dumped, or disposed of for livestock feed upon notification of and verification by the market administrator.

d. In shrinkage of other source milk.

e. In shrinkage of producer milk not to exceed 2 percent of direct receipts from producers, plus 1.5 percent of bulk receipts from regulated plants less 1.5 percent of bulk transfers to regulated plants.

Transfers Between Regulated Plants:

1. Transfers from one regulated plant to another:

\*a. In the form of fluid milk products are Class I unless utilization in another class is claimed by both plants in which case producer milk at both plants receives priority in Class I over other-source milk.

Transfers to Unregulated Plants:

1. The following are Class I:
  - a. Transfers to producer-handlers.
  - b. Transfers of fluid milk products in consumer packages.
  - \* c. Bulk transfers of fluid milk products to unregulated plants unless another class is claimed by the transferring handler and utilization of Class II at the unregulated plant does not exceed receipts from dairy farmers and Grade A receipts from non-Federal order plants. If Class II utilization does exceed such receipts, the excess Class II is prorated to receipts from all Federal order plants.
  - \* d. Bulk transfers of fluid milk products to a plant regulated under another order are classified according to provisions of the other order.

Receipts from Unregulated Plants:

1. Classification. Beginning with Class II, after deduction for shrinkage in producer milk, subtract receipts from unregulated plants in the following order (remainder is Class I):
  - \* a. Nonfluid milk products.
  - \* b. Fluid milk products not priced under another order.
  - \* c. Fluid milk products priced as Class I under another order.
- \* 2. Compensatory payments. Apply to "a" and "b" receipts in Class I, above whenever total deliveries of producer milk are 112 percent or more of total Class I at all regulated plants. Payment rate on nonfluid milk products: Class I less Class II price, both adjusted by respective butterfat differentials. On unpriced fluid milk products payment rate is Class I price adjusted by butterfat and location differentials, less: Class II price, adjusted by Class II butterfat differential.

Class Prices (4.0 percent milk):

1. Class I. Class I price under Federal Order No. 87 (Central Mississippi marketing area), plus 10 cents.
2. Class II. Average price paid farmers by the following local plants for 4.0 percent milk plus 10 cents, March-July; plus 20 cents, all other months:
  - \* McClendon Cheese Co., Newton, Miss.
  - Borden Co., Starkville, Miss.
  - Carnation Co., Tupelo, Miss.
  - Pet Milk Co., Kosciusko, Miss.

Butterfat Differentials:

1. Class I. Chicago 92-score butter price for the preceding month x 0.12.



2. Class II. Chicago 92-score butter price for the current month  
x 0.11.
3. Producer. Weighted average of Class I and Class II differentials.

Location Differentials:

1. Class I and producer. Apply to plants located more than 60 miles from Gulfport or Pascagoula, Mississippi, whichever is closer; deduct:
  - a. 10 cents - 61 to 160 miles.
  - b. 1.5 cents - each additional 10 miles.

Type of Pool:

1. Marketwide, monthly pool with base payments.

Expense of Administration:

1. Operators of regulated plants pay administrative costs not to exceed 5 cents per hundredweight of producer milk and other source milk allocated to Class I.
2. Operators of unregulated distributing plants pay the same rate as regulated plants on Class I route disposition in the marketing area (or on all milk received from dairy farmers, if they elect to make payments to dairy farmers at order prices - see Special Handler Provisions).

Special Producer Provisions:

1. Marketing service. Deductions as authorized by membership contracts must be paid to qualified cooperative associations. A charge not to exceed 7 cents per hundredweight, deductible from non-members must be paid to the market administrator.
2. Base payment. Base payment plan applies March-July with each producer's daily base computed by dividing the total pounds of milk delivered by the producer to regulated plants during the preceding months of September-January by the number of days of delivery during the period (not less than 120 days).
  - a. Provides for bases for dairy farmers who become producers by virtue of plant status changing from unregulated to regulated.
  - b. Transfers to any other person are permitted under specified circumstances.

Special Handler Provisions (Unregulated Plants):

1. Plants subject to other Federal Orders. Handlers who dispose of a greater portion of their Class I milk on routes in the marketing area of another order, are not subject to regulation under this order, except for reports which may be required by the market administrator.

A supply plant regulated under another order is not subject to regulation under this order, except for required reports, unless such plant qualifies under this order in each of the months, September-January.

2. Unregulated plants not subject to other Federal orders. Operators of such plants are required to:

- a. Submit required reports to the market administrator.
- b. Pay specified administrative assessment - see "Expense of Administration" provision.
- c. Make compensatory payments:
  - (1) On Class I route disposition in the marketing area; rate is that applicable to receipts from unregulated by regulated plants; or, if the handler so elects,
  - (2) On all milk received from dairy farmers; amount paid is the difference between class values at order prices and payments to dairy farmers.





FEDERAL MILK ORDER NO. 5  
Mississippi Delta

\* Marketing Area:

1. All territory, including governmental installations and institutions, in the following Mississippi counties: Attala, Bolivar, Carroll, Choctaw, Grenada, Holmes, Humphrey, Leake, Leflore, Lowndes, Montgomery, Noxubee, Oktibbeha, Sharkey, Sunflower, Tallahatchie, Washington, Winston, and Yazoo. Also, specified areas in the counties of Calhoun, Yalabusha, Coahoma, Webster, and Quintman.

\* Population (1950 census): 667,267

Principal places are: Greenville, Greenwood, Columbus, and Clarksdale, Mississippi.

Handler:

1. The operator of a regulated plant.
2. The operator of an unregulated distributing plant from which Grade A fluid milk products are disposed of in the marketing area.
3. A cooperative association with respect to producer milk diverted under specified conditions for its account from a regulated to an unregulated plant.

Producer-Handler:

1. A dairy farmer who operates a plant from which Grade A fluid milk products are received only from his own production or from regulated plants are distributed in the marketing area.

Producer:

1. Any person, except a producer-handler, who produces milk approved for fluid consumption by any health authority and received at a regulated plant or normally received at a regulated plant and diverted under specified conditions.

Regulated (Pool) Plant (except a producer-handler plant or a plant regulated under another order):

1. Distributing plant. A plant inspected and approved by any health authority and from which during the month:
  - a. Disposition of Grade A fluid milk products on routes in the marketing area is 20 percent or more of receipts from dairy farmers and other plants; and
  - b. Total route disposition of Grade A fluid milk products is 50 percent or more of receipts from dairy farmers and other plants.

2. Supply plant. A plant inspected and approved by any health authority for fluid consumption which ships 50 percent or more of its approved receipts from dairy farmers to a regulated distributing plant. A plant which qualifies as a supply plant in the months September through January is a supply plant in the following February through August unless non-regulated status is requested. A plant requalifies by shipping 50 percent or more of its approved receipts from dairy farmers to a regulated distributing plant.

#### Method of Accounting for Milk:

1. Skim milk and butterfat are accounted for separately. Skim milk includes the fluid equivalent of reconstituted, concentrated, and fortified products.

#### Classification:

1. Class I. All skim milk and butterfat:

a. Disposed of in the form of fluid milk product and in eggnog and yogurt. Fluid milk products: milk, including concentrated; skim milk; sweet and sour cream; buttermilk; plain and flavored milk and milk drinks; fluid mixtures of cream and milk or skim milk.

b. Not accounted for as Class II milk.

\* 2. Class II. All skim milk and butterfat:

a. Used to produce any product other than a fluid milk product, and eggnog and yogurt.

b. Contained in inventories of fluid milk products and eggnog and yogurt.

c. Dumped, or disposed of for livestock feed and skim milk dumped upon notification of and verification by the market administrator.

d. In shrinkage of other source milk.

\* e. In shrinkage of producer milk not to exceed 2 percent of direct receipts from producers, plus 1.5 percent of bulk receipts from regulated plants less 1.5 percent of bulk transfers to regulated plants.

#### Transfers Between Regulated Plants:

1. Transfers from one regulated plant to another:

\* a. In the form of a fluid milk product are Class I unless utilization in another class is claimed by both plants in which case producer milk at both plants receives priority in Class I over other-source milk.

\* Transfers to Unregulated Plants:

1. The following are Class I:

- a. Transfers to producer-handlers.
- b. Transfers of fluid milk products in consumer packages.
- \* c. Bulk transfers of fluid milk product to unregulated plants unless another class is claimed by the transferring handler and utilization of Class II at the unregulated plant does not exceed receipts from dairy farmers and Grade A receipt from non-Federal order plants. If Class II utilization does exceed such receipts, the excess Class II is prorated to receipts from all Federal order plants.
- \* ~~d. Bulk transfers of fluid milk products to a plant regulated under another order are classified according to provisions of the other order.~~

\* Receipts from Unregulated Plants:

- \* 1. Classification. Beginning with Class II, after deduction for shrinkage in producer milk, subtract receipts from unregulated plants in the following order (remainder is Class I):
  - \* a. Non-fluid milk products.
  - \* b. Fluid milk products not priced under another order.
  - \* c. Fluid milk products priced as Class I under another order.
- \* 2. Compensatory payments. Apply "a" & "b" to receipts in Class I, not priced under another order, whenever total deliveries of producer milk are 110 percent or more of total Class I at all regulated plants. Payment rates:
  - \* a. On receipts of non-fluid milk products Class I less Class II price both adjusted by respective butterfat differential.
  - \* b. On receipts of fluid milk products payment rate is Class I price less Class II price both adjusted by butterfat and location differentials.

Class Prices (4.0 percent milk)

- 1. Class I. Class I price under Federal Order No. 87 (Central Mississippi Marketing area) minus 16 cents.
- 2. Class II. Average price paid farmers by the following local plants for 4.0 percent milk:

Kraft Cheese Co., Houston, Miss.  
 Borden Co., Starkville, Miss.  
 Carnation Co., Tupelo, Miss.  
 Pet Milk Co., Kosciusko, Miss.



Plus:

20 cents: September - January

10 cents: February - August

Butterfat Differentials:

1. Class I. Chicago 92-score butter price for the preceding month  
x 0.12.
2. Class II. Chicago 92-score butter price for the current month  
x 0.11.
3. Producer. Weighted average of Class I and Class II differentials.

Location Differentials:

1. Class I and producer. Apply to plants located in Mississippi 30 miles or more north of U. S. Highway No. 82 and to plants located outside Mississippi and 30 miles or more from Greenville, or Columbus, whichever is closer; deduct:
  - a. 7.5 cents - 30 to 40 miles.
  - b. 1.5 cents - each additional 10 miles.

Type of Pool.

1. Marketwide, monthly pool with base payments.

Expense of Administration:

1. Operators of regulated plants pay administrative costs not to exceed 5 cents per hundredweight of producer milk and other source milk allocated to Class I.
2. Operators of unregulated distributing plants pay the same rate as regulated plants on Class I route disposition in the marketing area (or on all milk received from dairy farmers, if they elect to make payments to dairy farmers at order prices - see Special Handler Provisions).

Special Producer Provisions:

1. Marketing service. Deductions as authorized by membership contracts must be paid to qualified cooperative associations. A charge not to exceed 7 cents per hundredweight, deductible from non-members must be paid to the market administrator.
2. Base payment. Base payment plan applies March-July with each producer's daily base computed by dividing the total pounds of milk delivered by the producer to regulated plants during the preceding months of September-January by the number of days of delivery during the period (not less than 120 days).
  - a. Provides for bases for dairy farmers who become producers by virtue of plants status changing from unregulated to regulated.

- b. Transfers to any other person are permitted under specified circumstances.

Special Handler Provisions (Unregulated Plants):

1. Plants subject to other Federal Orders. Handler who dispose of a greater portion of their Class I milk on routes in the marketing area of another order are not subject to regulation under this order, except for reports which may be required by the market administrator.
2. Unregulated plants not subject to other Federal orders. Operators of such plants are required to:
  - a. Submit required reports to the market administrator.
  - b. Pay specified administrative assessment - see "Expense of Administration" provision.
  - c. Make compensatory payments:
    - (1) On Class I route disposition in the marketing area; rate is that applicable to receipts from unregulated by regulated plants; or, if the handler so elects,
    - (2) On all milk received from dairy farmers; amount paid is the difference between class values at order prices and payments to dairy farmers.





Order amended 11-1-60 (\*indicates revised provisions)

FEDERAL MILK ORDER NO. 87  
Central Mississippi

Marketing Area:

1. All territory in the following Mississippi counties: Adams, Claiborne, Clarke, Copiah, Covington, Forrest, Franklin, Hinds, Jasper, Jefferson, Jefferson Davis, Jones, Lauderdale, Lawrence, Lincoln, Madison, Marion, Neshoba, Newton, Perry, Rankin, Scott, Simpson, Smith, Walthall, Warren, Wayne, and part of Lamar County.

Population: (1950 Census): 802,871

Principal places are: Jackson, Hattiesburg, Vicksburg, Laurel, Canton, Columbia, Crystal Springs, Waynesboro, Forest, and Port Gibson, Mississippi.

Handler:

1. The operator of a regulated plant.
2. The operator of an unregulated distributing plant from which fluid milk products are disposed of in the marketing area.
3. The operator of an unregulated supply plant which ships Grade A milk to a regulated distributing plant.
4. A cooperative association with respect to producer milk diverted under specified conditions for its account from a regulated to an unregulated plant.

Producer-Handler:

1. A dairy farmer who operates a plant from which Class I milk received only from his own production is distributed in the marketing area.

Producer:

1. Any person, except a producer-handler, who produces milk inspected and approved for fluid consumption by any health authority and receives at a regulated plant or normally received at a regulated plant and diverted under specified conditions.

Regulated (Pool) Plant (except a producer-handler plant or a plant regulated under another order):

1. Distributing plant. A plant inspected and approved by any health authority and from which during the month:
  - a. Disposition of fluid milk products on routes in the marketing area is 20 percent or more of receipts from dairy farmers and other plants; and
  - b. Total route disposition of fluid milk products is 50 percent or more of receipts from dairy farmers and other plants.

2. Supply plant. A plant inspected and approved by any health authority for fluid consumption which ships 50 percent or more of its approved receipts from dairy farmers to a regulated distributing plant. A plant which qualifies as a supply plant in the months August through January is a supply plant in the following February through July unless non-regulated status is requested. A plant requalifies by shipping 50 percent or more of its approved receipts from dairy farmers to a regulated distributing plant.

Method of Accounting for Milk:

1. Skim milk and butterfat are accounted for separately. Skim milk includes the fluid equivalent of reconstituted, concentrated, and fortified products.

Classification:

1. Class I. All skim milk and butterfat;

- a. Disposed of in the form of a fluid milk product and yogurt. Fluid milk products: Milk, including concentrated; skim milk; sweet and sour cream; buttermilk; plain and flavored milk and milk drinks; fluid mixtures of cream and milk or skim milk.
- b. Not accounted for as Class II milk.
- c. Contained in inventories of fluid milk products at the end of the month.

2. Class II. All skim milk and butterfat;

- a. Used to produce any product other than a fluid milk product.
- b. Disposed of for livestock feed.
- c. Skim milk dumped.
- d. In shrinkage of producer and other source milk not to exceed 2 percent.

Transfers Between Regulated Plants:

1. Transfers from one regulated plant to another;

- a. In the form of fluid milk products are Class I unless utilization in another class is claimed by both plants in which case producer milk at both plants receives priority in Class I over other-source milk.

\* Transfers to Unregulated Plants:

1. The following are Class I:

- a. Transfers to producer-handlers.
- b. Transfers of fluid milk products in consumer packages.
- \* c. Bulk transfers of fluid milk products to unregulated plants unless another class is claimed by the transferring handler and utilization of Class II at the unregulated plants does not exceed receipts of non-Grade A milk at such plant. If Class II utilization does exceed such receipts, the Class II is prorated to receipts at such plant from all Federal order plants.
- \* d. Bulk transfers of fluid milk products to a plant regulated under another order are classified according to provisions of the other order.



Receipts from Unregulated Plants:

1. Classification. Beginning with Class II after deduction for shrinkage in producer milk, subtract receipts from unregulated plants in the following order (remainder is Class I):

- a. Non-fluid milk products reprocessed in the plant.
- b. Fluid milk products not priced under another order.
- \* c. Fluid milk products priced under another order.

\* 2. Compensatory payments. Apply to "a" and "b" receipts in Class I above whenever total deliveries of producer milk are 110 percent or more of total Class I at all regulated plants. Payment rate on nonfluid milk products Class I less Class II price, both adjusted by respective butterfat differentials on unpriced fluid milk products, payment rate is Class I price adjusted by Class I butterfat and location differential, less Class II price adjusted by Class II butterfat differential.

Class Prices:

1. Basic formula. Highest of the following:

- a. Midwest condenseries. Average price paid at Midwest condenseries (3.5 percent) adjusted to 4.0 percent by direct ratio.
- b. Local plants.
  - (1) Average price paid at the following local plants for 4.0 percent milk:
    - \* McClendon Cheese Co., Newton, Mississippi
    - Borden Company, Starksville, Mississippi
    - Carnation Company, Tupelo, Mississippi
    - Pet Milk Company, Kosciusko, Mississippi
- c. Butter-powder. (Chicago 92-score butter price x 4.8) + (Chicago area spray-roller powder price -5 cents x 7.5)

2. Class I. Basic formula price for the preceding month plus: \$2.13

3. Class II.

Local plant price, plus: 10 cents, March-June; 20 cents, July-February.

Butterfat Differentials: (4.0 percent butterfat test).

- 1. Class I. Chicago 92-score butter price for the preceding month x 0.12.
- 2. Class II. Chicago 92-score butter price for the current month x 0.11.
- 3. Producer. Weighted average of Class I and Class II differentials.

Location Differentials:

1. Class I. Apply to plants located 50 miles or more from Hattiesburg, Jackson, Meadville, or Meridian, Mississippi, whichever is closest, deduct:

- a. 10.0 cents - 50 to 60 miles.
- b. 1.5 cents - each additional 10 miles.

2. Producer. Above differentials apply:



- a. August-February to all producer milk.
- b. March-July to base milk.

#### Type of Pool.

1. Marketwide, monthly pool with base payments.

#### Expense of Administration:

1. Operators of regulated plants pay administrative costs not to exceed 5 cents per hundredweight of producer milk and other source milk allocated to Class I.
2. Operators of unregulated distributing plants pay the same rate as regulated plants on Class I route disposition in the marketing area, or on all milk received from dairy farmers, if they elect to make payments to dairy farmers at order prices - see Special Handler provisions.

#### Special Producer Provisions:

1. Marketing service. Deductions as authorized by membership contracts must be paid to qualified cooperative associations. A charge not to exceed 7 cents per hundredweight, deductible from non-members must be paid to the market administrator.
2. Base payment. Base payment plan applies March-July with each producer's daily base computed by dividing the total pounds of milk delivered by the producer to regulated plants during the preceding months of September-January by the number of days of delivery during the period (not less than 120 days).
  - a. Provides for bases for dairy farmers who become producers by virtue of plant status changing from unregulated to regulated.
  - b. Transfers to any other person are permitted under specified circumstances.

#### Special Handler Provisions (Unregulated Plants):

1. Plants subject to other Federal Orders. Handlers who dispose of a greater portion of their Class I milk on routes in the marketing area of another order, are not subject to regulation under this order, except for reports which may be required by the market administrator.
2. Unregulated plants not subject to other Federal orders. Operators of such plants are required to:
  - a. Submit required reports to the market administrator.
  - b. Pay specified administrative assessment - see "Expense of Administration" provision.
  - c. Make compensatory payments:
    - (1) On Class I route disposition in the marketing area; rate is that applicable to receipts from unregulated by-regulated plants; or, if the handler so elects,
    - (2) On all milk received from dairy farmers; amount paid is the difference between class values at order prices and payments to dairy farmers.

